

USDA *Rural Development* **Quarterly** Review

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Rural Development Announces Value-Added Producer Grant Recipients

U.S. Department of Agriculture Rural Development State Director, Frank Frassetto, announced on December 11, 2003 that four agricultural businesses in Wisconsin are being awarded Value Added Producer Grants (VAPG) totaling over \$500,000. "For Wisconsin's entrepreneurs to again successfully compete for these limited dollars on a national basis is a testament to our state's rural progressive spirit and the strength and scope of the individual applications," said Frassetto.

The grants will be used to increase marketing opportunities for the value-added agricultural products, by using the funds to prepare feasibility studies, develop business plans, conduct market research, or acquire working capital.

The new VAPG recipients and grant amounts are:

Living Forest Cooperative, located in Ashland, WI, will receive a \$39,500 grant. The 84 producer members of the cooperative will produce lumber and other wood products from member owned trees. The lumber and wood products will be certified as Forest Stewardship Council Products. The products will be sold to higher volume accounts as an emerging market for the coop.

Home Grown Wisconsin Cooperative is located in Waterloo, WI. They have been awarded a \$20,000 planning grant

to conduct a feasibility study that will explore the establishment of a facility to process produce for up-scale restaurants and institutional markets. Home Grown WI Coop is a 24 member farmer owned cooperative who produce organic fruits and vegetables.

Apple Cider Feasibility Study was awarded \$8,344 that will be used toward the cost of a feasibility study leading to the development of the business, operations, and marketing plans necessary to successfully produce and market hard apple cider in southern, WI. The project is located in Stoughton, Wisconsin.

United Wisconsin Grain Producers, LLC was awarded a \$450,000 working capital grant to help pay the start-up costs of personnel, insurance, office supplies, and accounting fees for the 40 million gallon annual capacity corn ethanol production facility to be built in Friesland, WI. Four hundred eighty-eight producers of the 760 owners are involved in this project

"The Bush administration continues to push for increased investment in value added processing and agri-marketing ventures providing renewed growth to these important sectors of our economy. And, frankly, it's good to see our tax dollars returned to Wisconsin," Frassetto added.

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Equal Employment Opportunity Action Committee

Paul Bartlett, Rural Housing Specialist was recently elected as Chairman of the Equal Employment Opportunity Advisory Committee (EEOAC) for Wisconsin Rural Development. The EEOAC does not handle complaints, but works with management and employees to ensure that the personnel actions taken are nondiscriminatory. One of the main priorities of the EEOAC this year is to develop and implement an employee recruitment plan that will focus on minorities not adequately represented by our current employees. Rural Development's goal is to have a workforce with demographics similar to the public that we serve in Wisconsin.

Rural Housing has Record Year

USDA Rural Development announced recently that it has had a record year in its Rural Housing Guaranteed Loan Program during the 2003 Fiscal year.

The Guaranteed Loan Program began in 1992 with a \$7 million budget for Wisconsin. During the past fiscal year, over \$103.8 million in loans were made to over 1,090 families. This is a tremendous growth in the program, a 66 percent increase over last year's figures which totaled \$62 million. Nationally, Wisconsin Ranks 9th, with the average loan amount just under \$95,000.

Rural Housing Service Launches Effort to Create Home Care Provider Co-ops

Wisconsin has been the breeding ground for many social service initiatives at the federal level, and not just at the Department of Health and Human Services where former Gov. Tommy Thompson is in charge.

At the Agriculture Department, the Rural Housing Service (RHS) solicited bids in December to replicate a worker-owned co-op of home care providers in Wautoma, WI, a town of 2,000 people in a county of only 24,000.

In a December, 12 letter to State Rural Development Directors, RHS Administrator Arthur Garcia touted the Wisconsin program as a way to improve wages and benefits for workers while providing clients with high quality services.

Launched June 1, 2001, Cooperative Care replaced a system under which Waushara County matched providers with clients but took no responsibility as employer. As a result, workers did not even have worker compensation rights, let alone other benefits.

Today, the co-op's approximately 90 member providers earn wages of \$7.50 to \$9.75 an hour, with 10 days of combined leave and time and a half for working on holidays. In addition, the co-op offers subsidized health benefits, liability insurance and a bonding policy.

Because workers are better off, turnover is kept to a minimum, according to Margaret Bau, Cooperative Development Specialist at the USDA Rural

Development Wisconsin State Office in Stevens Point. "If you want good health outcomes, it's important to have continuity of care," said Bau.

To extend this model, RHS will make planning grants of up to \$50,000. Recipients will hire organizers to assess the needs of local workers, prepare a business plan and select an office manager.

In addition, recipients will be able to tap a revolving loan fund to bridge the gap between commencement of operations and the inflow of cash.

The project is targeted at the home health market, services for which many area agencies on aging seek providers.

In fact, such agencies are well positioned to apply for a grant, according to RHS Loan Specialist Stephen Wetherbee, "and if not, they certainly would be important in putting together any effort in that community," he said.

The co-op of home care providers in Wautoma, WI is the prototype for a \$1 million initiative by the federal Rural Housing Service.

It is a way to ensure the stable workforce that seniors will need if home and community-based services are to become the norm and not the exception, according to Judy Zitzke, Manager of Wisconsin's Community options program.

(Excerpt from Older Americans Report December 19, 2003 issue)



Waushara County Co-op is a Finalist

The Kennedy School of Government at Harvard University announced that the Waushara County and Cooperative Care were selected as one of the 50 finalists for the 2003 Innovations in American Government Award, the Oscars of public service. A team from Cambridge, Mass. will travel to Waushara County Cooperative Care in Wautoma to examine the co-op for two days. If the Co-op qualifies for the next round, a team from Wautoma will go to Harvard to present the Cooperative Care story before a panel of judges. The top five award recipients will each receive \$100,000 towards replication.



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